4/1/86 S0465-1

ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. X No. 3
March 1986

Unemployment Rate

Seasonally Adjusted
January*

ARIZONA	6.4%
Maricopa Co.	5.3%
Pima Co.	5.3%
UNITED STATES	6.7%

Consumer Price Index

National-January
1967 - Base Year

Wage Earner/Clerical Worker -	324.3
% Chg. Yr. Ago	3.7
All Urban -	328.4
% Chg. Yr. Ago	3.9

Phoenix-4th Qtr.
1977 - Base Year

All Urban -	191.5
% Chg. Yr. Ago	3.9

Tucson-4th Qtr.
1st Qtr. 1983 - Base Qtr.

All Urban -	115.0
% Chg. Yr. Ago	5.1

* Preliminary

Arizona Outlook

The Annual Forecast Issue

Early each year, employment and unemployment statistics are revised or "benchmarked" for the prior two years. This involves a cooperative effort by the federal Bureau of Labor Statistics and the Current Employment Statistics (CES) programs throughout the United States. The revised data is used to compile the Department of Economic Security (DES) economic forecasts.

The DES research staff focus their efforts on forecasting the economies of three substate regions: the Phoenix area (Maricopa County), the Tucson area (Pima County), and the thirteen nonmetropolitan counties. Rather than attempting to forecast the U.S. and international economies, assumptions are made for key variables such as gross national product (GNP), interest rates, and inflation.

The assumptions behind these forecasts are relatively modest. Real GNP growth is expected to average between 2 to 2.5 percent in 1986 and about 3 percent in 1987. Inflation is expected to average about 3 percent this year, rising slightly next year. Interest rates, long- and short-term, are expected to move downward throughout the year, with long-term interest rates expected to continue falling through 1988.

The primary purpose of the Arizona forecasts is to aid and improve the planning of DES-administered programs. We hope the forecasts also can be of value to others in the public and private sectors who are interested in the economy of Arizona.

Arizona Department of Economic Security

Table of Contents

Arizona in 1985 2
Employment Forecasts for 1986-1988
Arizona, 1986-1988 3
Maricopa County, 1986-1988 7
Pima County, 1986-1988 9
Nonmetropolitan Counties, 1986-1988. 10
Arizona Labor Force Statistics. 12
The Arizona Labor Force in January. . . 16
Improved Career Decision Making Seminars to be Sponsored by ASOICC. 17
Job Bank Wage Levels in Nonmetropolitan Counties 17
New Developments. 20

Arizona Labor Market Information Newsletter
WINNER OF THE ICESA 1985 LMI PUBLICATION AWARD

Nancy Augustin, editor
Processed by RA Clerical Support Unit

Arizona in 1985

In many ways, Arizona's economic performance in 1985 reflected that of the nation. Resource-based industries such as mining, agriculture, and lumber suffered from weak prices in the commodities markets as well as from the high exchange value of the dollar. The strength of the dollar, combined with low demand and swollen inventories, also contributed to the production cuts and subsequent layoffs observed in the electronics industry. In spite of a benevolent Federal Reserve monetary policy which resulted in falling interest rates, the construction industry lost momentum during the year.

Arizona mirrored the upside as well as the downside of the U.S. economy. The rate of job creation remained high in the service and trade industries as consumer spending remained strong. Revised employment figures for 1985 indicate that wage and salary employment increased by 8.1 percent in Arizona. This was slightly lower than the gain of 9.7 percent posted during 1984 and higher than the 6.6 percent originally reported. Finance, insurance, and real estate (FIRE) was the most robust of the service-producing industries. Employment expanded by nearly 12 percent in 1985, improving on the increase of 9.7 percent observed in financial services the year before. Government, trade, and many of the service industries also hired workers in numbers comparable to the pattern of 1984.

Real GNP grew by a rate of only 2.3 percent last year, but U.S. wage and salary jobs increased by 3.4 percent due to the strength of the service sectors of the economy. Similarly, while industrial production waned in Arizona, the state continued to rank among the nation's leaders in employment growth. Although the unemployment rate was falling at the national level, unemployment peaked in Arizona at 7.2 percent in July before trending downward for the remainder of the year.

Preliminary figures indicate that Arizona began 1986 with a small rise in the unemployment rate. It is expected that the recent layoffs observed in manufacturing and

EMPLOYMENT IN ARIZONA
(Annual Averages, in Thousands)

	1984	Growth Rate	1985	Growth Rate
Total Wage and Salary Employment	1,181.9	9.7%	1,277.5	8.1%
Manufacturing	172.8	10.9%	180.7	4.6%
Mining	13.1	-8.4%	12.0	-8.4%
Construction	97.0	23.4%	110.4	13.8%
TCPU	59.8	4.5%	63.0	5.4%
Trade	286.3	9.7%	314.4	9.8%
FIRE	72.1	9.7%	80.6	11.8%
Services	273.2	12.8%	298.0	9.1%
Government	207.5	2.2%	218.4	5.3%

construction will continue for a few months, inducing a slower pace of growth in other industries. Fewer jobs, in combination with increasing numbers of jobseekers joining the Arizona labor force, may push the unemployment rate higher during the first half of the year. By the end of 1986, improved market conditions should reverse the trend in electronics manufacturing and more jobs will become available. As a result, unemployment should be declining by the beginning of 1987.

Employment Forecasts for 1986 - 1988

Arizona, 1986 - 1988

The uncertainty surrounding the future of Arizona's economy is a direct result of the confusing sequence of events in national and global markets observed recently. Prognostications of the path the U.S. economy will follow vary widely. Some observers see a faltering economy currently that will improve by the end of the year, while many economists believe that the recent expansion will continue, only to end (and maybe even slip into recession) during 1987.

The recent collapse of world oil prices is a major point of controversy, with analysts oscillating between exhilaration and horror as the implications are considered. It seems that lower crude oil prices should have a generally benevolent effect on prices, costs, and consumer spending, improving the prospects of nearly every industry in the United States. Yet, when the potential effects on banks with outstanding loans to foreign and domestic oil producers are considered, one is less likely to be optimistic concerning the stability and vitality of financial markets.

This is just one example of many critical factors, some of which are related. Fluctuations in world currency markets and aggressive marketing by American and Asian car builders have yielded a volatile pattern of domestic automobile sales. Other durable goods markets show similar inconsistencies, with a wide range of projected sales for semiconductors, computers, and just about everything else.

Any national or regional forecast for 1986 must take into account the length of the current business expansion and the magnitude of expenditures on machinery and equipment, consumer durables, and office and residential structures during the recovery from the 1981-1982 recession. Another issue to consider is the impact of federal budget reduction policies on government spending. Federal spending cuts may affect employment and income directly through staffing cuts, reduced payments to individuals, and slower production and hiring by defense contractors.

These issues are especially important in Arizona. Electronics equipment manufacturers had a rough time in 1985 due to high inventories, sluggish orders, and formidable competition in domestic markets from offshore producers. Market conditions, while improving, were generally weak at the end of 1985. Employment in Arizona's machinery sector, which includes many high tech firms, dropped by 5,500 from January to December. It is expected that employment will continue to fall in this category, perhaps by as much as 5 percent, before demand improves sufficiently to warrant increased production. By the end of 1986, electronics manufacturers will be poised to expand through the next two years.

If it were not for defense contracting, manufacturing employment in Arizona would fall by far more than the percent decline forecasted for 1986. The state's aircraft and missile manufacturers are expected to expand payrolls by more than 10 percent for the third consecutive year. Expansion is likely to slow as the year progresses, however, as apprehension rises regarding the Gramm-Rudman-Hollings bill or other budget reduction measures. The bill, if success-

fully implemented, could require deep spending cuts by 1987, with slower employment growth being the major result.

Of course, government--federal, state, and local--would be the sector to feel the impact of Gramm-Rudman-Hollings most directly. Government employment increased by over five percent in Arizona last year, with significant increases at each level. Growth in state and local government jobs was especially strong, a reaction to an expanding population clamoring for more schools and municipal services. It is anticipated that the specter of future spending cuts will inhibit the growth of government employment at all levels for the next two years. The prospect of smaller salary increases and reduced operations for public welfare and employment and training programs also will affect aggregate levels of income and spending.

Copper mining will continue to languish for the foreseeable future. Employment has dropped in response to the inability of Arizona's copper producers to compete profitably at current prices. Copper will continue to be mined in Arizona, but we do not expect employment to rebound to the higher levels observed in the past. Even if copper prices rise and production increases, labor-saving technologies will be used and fewer employees will be needed than in the past.

Construction has been a prodigious producer of jobs since 1983, but the second half of 1985 brought with it a decline in employment. At the end of the year, about 110,000 construction workers held jobs in Arizona, nearly 4,000 fewer than in June. Most of the layoffs have been a reaction to a growing surplus of office space and fears of an overbuilt multi-family housing market. These factors contrast with the remarkable strength of single-family housing construction. As interest rates fall, the affordability of new housing should continue to improve, increasing the demand for construction workers. Major projects, particularly roads and power plants, also will contribute to the employment totals, but the overbuilt market segments will offset most of the gains in the growing categories.

With many of the state's basic industries struggling, virtually all of the jobs to be created this year will be in the service and trade industries. A slower rate of income growth and lower demand for goods and services by the basic sectors will reduce employment opportunities in these categories as well. Financial services (FIRE) has experienced phenomenal growth, adding thousands of workers during the last two years. Employment in retail trade has expanded rapidly as the regional economy has prospered. The gains projected for these categories in 1986 are in the 4 to 5 percent range, with faster growth returning in 1987 and 1988. The general softness of manufacturing, mining, and construction will reduce growth in the near term, but the continued expansion of Arizona's population should ensure that the service-producing industries will create thousands of new jobs every year, particularly in the metropolitan areas.

The total number of jobs in Arizona is expected to increase by about three percent this year, with somewhat larger increases forecasted for 1987 and 1988. Unemployment will rise as the growth of the labor force exceeds the number of jobs available in the months ahead, but the jobless rate should decline before the year is over and should continue falling into 1988. Growth in manufacturing and construction will help to provide jobs for an expanding population, especially in the urban areas.

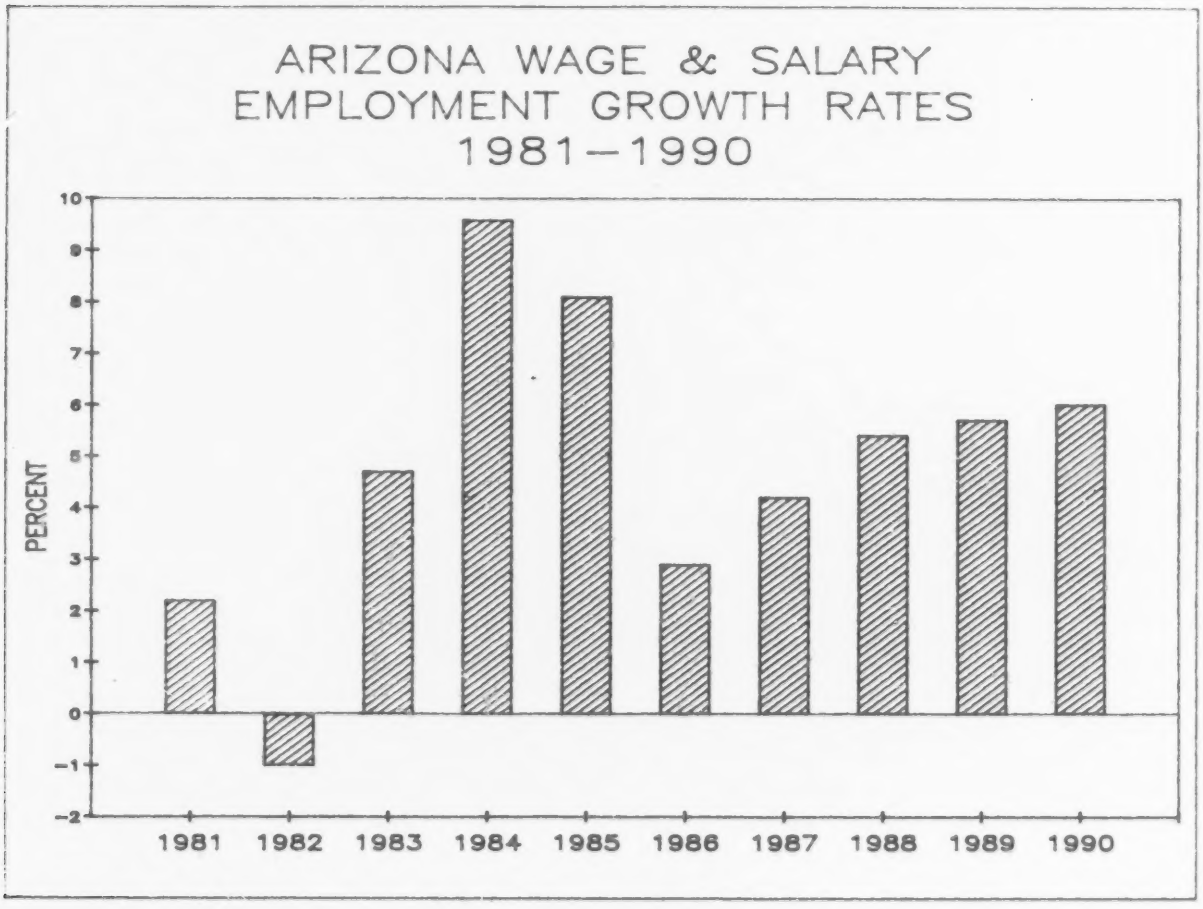
The economy of Arizona has been characterized by rapid growth and transition for much of its history, and the current period is no exception. In the long run we should expect this to continue. Arizona will continue to grow faster than most states, but the evolution of its economic base must proceed to accommodate the expected expansion.

ARIZONA ECONOMIC FORECASTS
(Annual Averages, in Thousands)

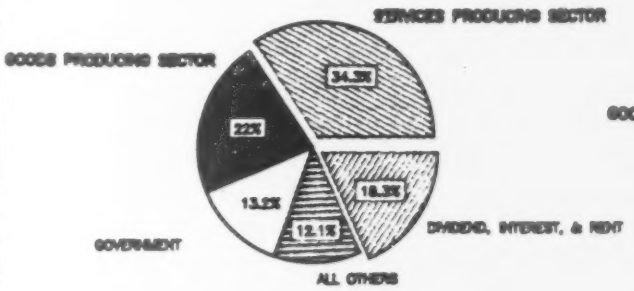
	1985	Growth Rate	1986	Growth Rate	1987	Growth Rate	1988	Growth Rate
Labor Force	1,477.0	2.5%	1,532.8	3.8%	1,583.0	3.3%	1,662.5	5.0%
Unemployed	96.0	35.2%	101.6	5.8%	92.2	-9.3%	91.6	-0.7%
Unemployment Rate	6.5%		6.6%		5.8%		5.5%	
Total Employment	1,381.0	0.8%	1,431.3	3.6%	1,490.8	4.2%	1,570.9	5.4%
Wage and Salary Employment	1,277.5	8.1%	1,314.9	2.9%	1,371.0	4.3%	1,445.8	5.5%
Manufacturing	180.7	4.6%	178.8	-1.1%	186.2	4.1%	198.9	6.8%
Mining	12.0	-8.4%	10.5	-12.5%	9.6	-8.6%	9.0	-6.3%
Construction	110.4	13.8%	111.6	1.1%	119.6	7.2%	129.4	8.2%
TCPU	63.0	5.4%	64.8	2.9%	66.8	3.1%	69.4	3.9%
Trade	314.4	9.8%	326.7	3.9%	342.1	4.7%	363.3	6.2%
FIRE	80.6	11.8%	84.2	4.4%	87.4	3.8%	91.5	4.7%
Services	298.0	9.1%	313.4	5.2%	327.4	4.5%	344.5	5.2%
Government	218.4	5.3%	225.0	3.0%	231.9	3.1%	239.8	3.4%
Personal Income (Millions of Dollars)	39,424.0	9.0%	41,876.0	6.2%	44,853.0	7.1%	48,513.0	8.2%

NOTE: Totals may not add due to rounding.

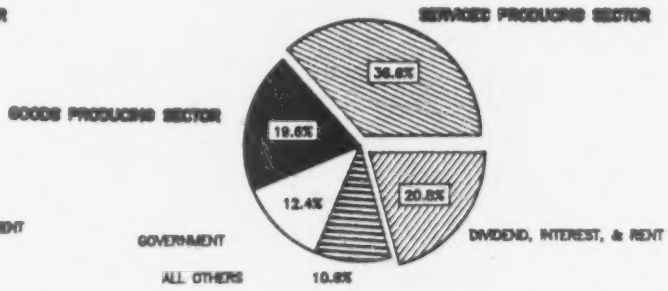
SOURCE: Arizona Department of Economic Security, Research Administration, February, 1986.



ARIZONA PERSONAL INCOME SHARES BY MAJOR CATEGORIES 1980 VS 1986

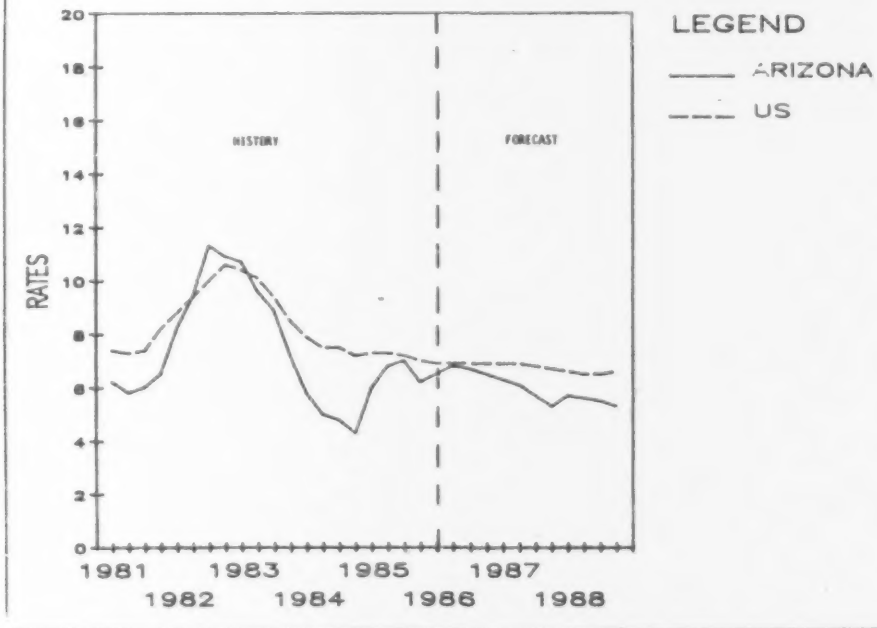


1980



1986

ARIZONA VS. US UNEMPLOYMENT RATES 1981—1988

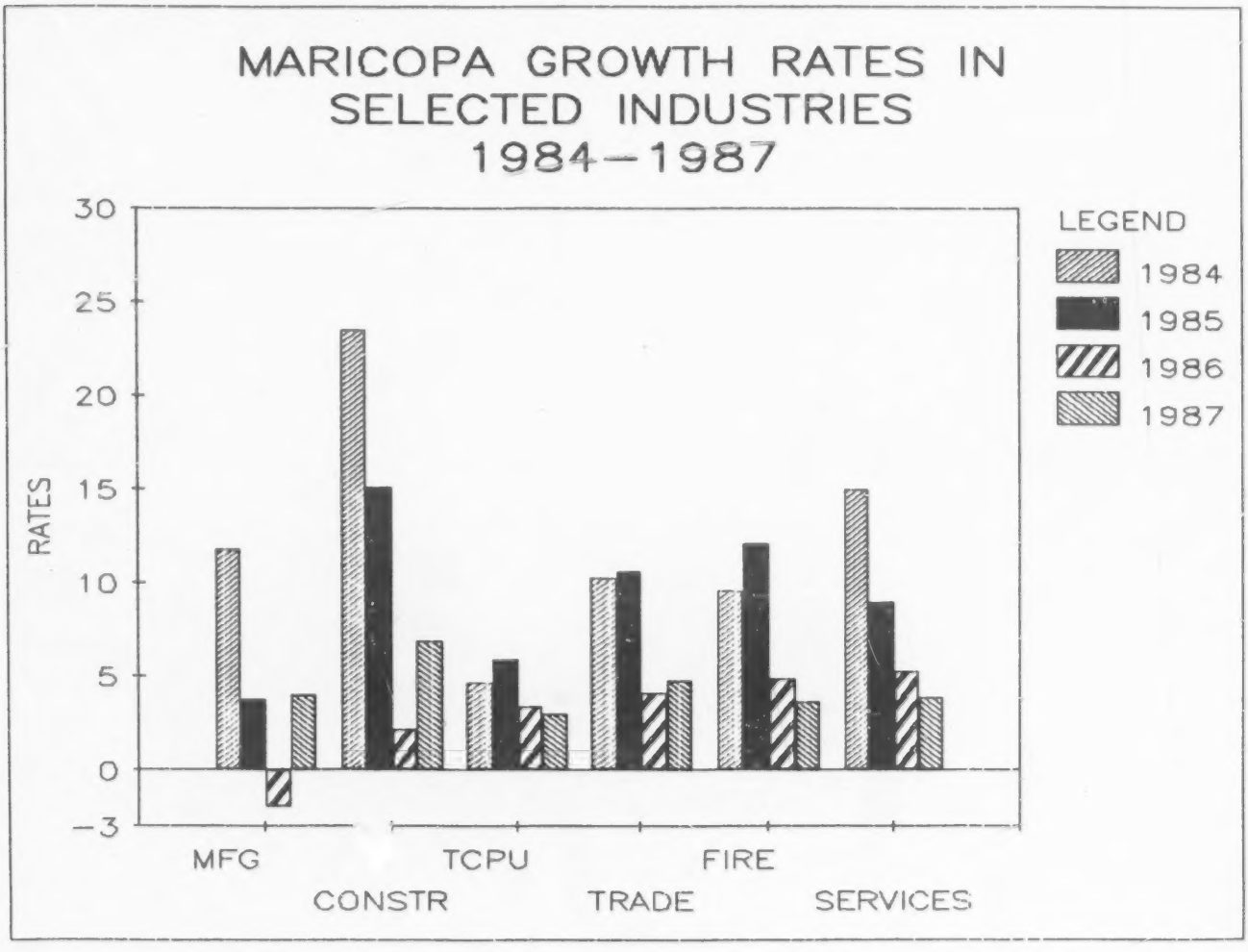


Maricopa County, 1986 - 1988

Of the two metropolitan areas in Arizona, the Phoenix area has attracted a larger share of the state's economic growth. There are several reasons, including a relatively secure water supply, an ample supply of developable land, and a generally favorable attitude toward economic growth that is shared by citizens and public officials. When these factors are added to a diverse economic base and the largest agglomeration of urban amenities in the desert Southwest, it is easy to see why the Phoenix area has prospered in recent years.

For the next two years, economic growth in Maricopa County is not expected to exceed the growth rate of Tucson metropolitan area. The gap has narrowed because of the current weakness in the electronics industry. While both Maricopa and Pima counties have many high technology firms located within their borders, the structure of the industry in each county differs. The high technology industry in the Tucson area is dominated by a relatively small number of large firms, some of which have large defense contracts. Some of the remaining companies without such contracts are strong performers that are competing well in product markets.

The composition of high technology in Maricopa County is different. A larger number of electronics manufacturers operate in the Phoenix area than in Tucson; some of them have defense contracts, but many must compete for sales in international markets. Maricopa County also has large numbers of



small firms that supply materials and services to the major manufacturers or occupy small niches in the final markets for electronics products. These factors help to explain the volatility of output and employment among Phoenix area electronics manufacturers. Manufacturing employment in Maricopa County is expected to dip by 2 percent before rising by 4 percent in 1987 and nearly 7 percent in 1988, as the electronics industry responds to improving market conditions.

Construction employment is expected to be flat or falling in much of the state in 1986, but the number of jobs in Maricopa County expected to rise by about 2 percent this year and by 7 percent in 1987. Rapid population growth will sustain residential construction, and the beginning of a massive roadbuilding program in 1986 should help to offset the expected layoffs in office construction. These factors will contribute to continued growth in construction activity for the duration of the forecast.

Trade, FIRE, and services all are expected to expand steadily for the next several years. The rates of growth in these sectors will be well below those observed during the explosive 1984-1985 period, but the population-serving industries will be the major source of jobs in Maricopa County in 1986.

Government employment has become an open question since the appearance of the Gramm-Rudman-Hollings legislation in Congress. We expect that actual and anticipated spending cuts will force all levels of government to reduce staffing requirements, so the extraordinary growth of government employment--over 7 percent in 1985--will be reduced considerably. Even so, the sheer magnitude of expected gains in population for the Phoenix area (60-70,000 new residents per year) should create enough demand for schools and municipal services to generate employment increases of better than 3 percent annually.

The boom conditions that have driven the Maricopa County economy for the last three years are winding down. The strength and diversity of the local economy will allow the Phoenix area to pass through the current doldrums in manufacturing and to be well positioned to resume the pattern of rapid growth that has dominated its history.

MARICOPA COUNTY EMPLOYMENT FORECASTS
(Annual Averages, in Thousands)

	1985	Growth Rate	1986	Growth Rate	1987	Growth Rate	1988	Growth Rate
Labor Force	912.6	2.8%	955.7	4.7%	987.3	3.3%	1,041.2	5.5%
Unemployed	46.5	36.0%	50.6	8.8%	44.9	-11.3%	46.7	4.0%
Unemployment Rate	5.1%		5.2%		4.5%		4.4%	
Total Employment	866.0	1.5%	905.1	4.5%	942.4	4.1%	994.4	5.5%
Wage and Salary Employment	839.7	8.9%	866.7	3.2%	904.1	4.3%	954.6	5.6%
Manufacturing	130.3	3.8%	127.6	-2.1%	132.8	4.1%	141.7	6.7%
Mining	0.6	-14.3%	0.6	-0-	0.6	-0-	0.6	-0-
Construction	77.3	15.2%	79.0	2.2%	84.5	7.0%	89.4	5.8%
TCPU	41.0	5.9%	42.4	3.4%	43.7	3.1%	45.6	4.3%
Trade	214.8	10.6%	223.8	4.2%	234.6	4.8%	249.8	6.5%
FIRE	63.1	12.1%	66.2	4.9%	68.7	3.8%	71.6	4.2%
Services	201.8	9.0%	212.6	5.4%	220.9	3.9%	232.7	5.3%
Government	110.9	7.5%	114.6	3.3%	118.2	3.1%	123.2	4.2%

NOTE: Totals may not add due to rounding.

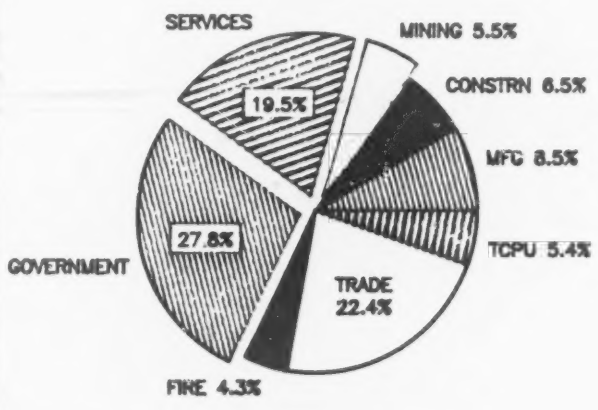
SOURCE: Arizona Department of Economic Security, Research Administration, February, 1986.

Pima County, 1986 - 1988

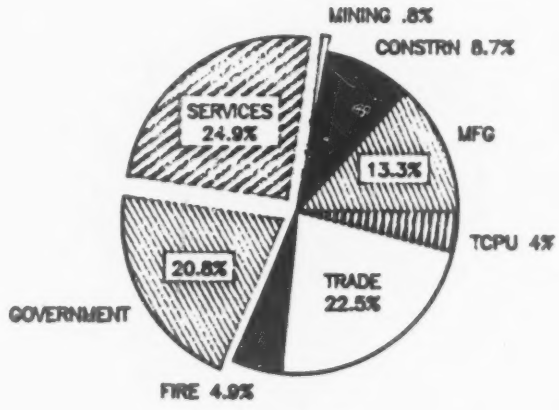
The Tucson area economy has evolved rapidly in recent years. Once dominated by copper mining, the university, the Air Force base, and tourism, a vibrant high technology industry emerged in the 1970s. Although it is not as economically diverse as its metropolitan neighbor to the north, Pima County's economic base has grown considerably. In the 1960's and 1970's, a slump in copper prices would virtually guarantee massive layoffs and a very high unemployment rate until copper markets improved. Unemployment rates did exceed 10 percent during the last recession, but the Tucson area has compiled an impressive record of economic growth since 1983 in spite of the lack of participation by the mining industry.

The forecast anticipates an employment growth rate for Pima County of 3.4 percent this year, rising to about 5.5 percent by 1988. This pattern is comparable to the forecast for the Phoenix metropolitan area. Manufacturing employment is expected to weather the current slump relatively well, rising by 1.6 percent in 1986 while manufacturing jobs are dwindling in other areas of the state. Defense contracts and the relative strength of the local electronics manufacturers should prevent the large and sudden losses of jobs that have plagued this industry in other regions.

PIMA COUNTY EMPLOYMENT IN SELECTED INDUSTRIES 1975 VS 1986



1975



1986

There is no recovery foreseen in the near future for copper mines and smelters in southern Arizona. Copper futures prices are mired below 70 cents per pound, well below profitable levels for most mine operators. Concerns regarding air quality also may inhibit the future growth of copper smelting in the area. Even if leaching technology is improved or other methods are

developed to extract copper profitably, labor requirements for the industry are likely to remain well below historical levels.

The construction sector in Pima County is expected to fall back a little in 1986, with 1,000 fewer jobs available. Many major building projects, particularly hotels, resorts, offices, and classroom buildings have been completed during the last year or are expected to be finished in the near future. Relatively low interest rates on mortgages and population growth will keep homebuilding activity at a high level, but a temporary reduction in nonresidential building activity should result in a net loss of jobs this year. The situation should improve considerably next year, with about 1,500 new construction jobs, and 1988 should bring a growth rate in excess of 12 percent.

Trade, FIRE, and services have been expanding in the Tucson area, but at a moderate pace compared to the Phoenix area. One reason is slower population growth in Pima County, with another factor being the status of Phoenix as the regional center for finance and commerce. These trends are not expected to change, at least not within the next few years. Government employment also is expected to rise more moderately in Pima County than in Maricopa County. Budget reduction policies are a factor, but more significant are the slower growth of the Pima County population and the relatively small number of city governments in the county that will require more workers.

When all factors are considered, the outlook for Pima County is generally sanguine. Growth will proceed at a lower rate this year, but the Tucson area will do no worse than similar regions in the Southwest and should fare better than most.

PIMA COUNTY EMPLOYMENT FORECASTS
(Annual Averages, in Thousands)

	1985	Growth Rate	1986	Growth Rate	1987	Growth Rate	1988	Growth Rate
Labor Force	290.0	2.1%	298.5	2.9%	309.7	3.8%	326.1	5.3%
Unemployed	15.3	26.4%	16.1	5.2%	15.1	-6.2%	15.5	2.6%
Unemployment Rate	5.3%		5.4%		4.9%		4.8%	
Total Employment	274.7	1.0%	282.4	2.8%	294.6	4.3%	310.6	5.4%
Wage and Salary Employment	232.2	8.3%	240.0	3.4%	250.6	4.4%	264.3	5.5%
Manufacturing	31.5	9.0%	32.0	1.6%	33.3	4.1%	35.9	7.8%
Mining	2.4	-29.4%	1.9	-20.8%	1.8	-5.3%	1.7	-5.6%
Construction	21.2	15.8%	20.9	-1.4%	22.4	7.2%	25.2	12.5%
TCPU	9.4	5.6%	9.5	1.1%	9.8	3.2%	10.0	2.0%
Trade	52.1	9.7%	54.0	3.6%	56.6	4.8%	59.8	5.7%
FIRE	11.5	13.9%	11.8	2.6%	12.4	5.1%	13.2	6.5%
Services	55.9	10.9%	59.8	7.0%	63.5	6.2%	66.9	5.4%
Government	48.4	3.0%	50.0	3.3%	50.8	1.6%	51.6	1.6%

NOTE: Totals may not add due to rounding.

SOURCE: Arizona Department of Economic Security, Research Administration, February, 1986.

Nonmetropolitan Counties, 1986 - 1988

It would not be appropriate to describe nonmetropolitan Arizona as a single region sharing the same characteristics. In fact, the 13 counties represent a remarkably varied aggregation of people, climate, terrain, and economies. Even the classification of data by county is somewhat artificial. Some settlements straddle county lines; large portions of the Native American reservations sprawl across county and state boundaries. Until we improve our ability to develop reliable forecasts of smaller, rural economies, we will be unable to articulate the texture and complexity of much of Arizona.

The nonmetropolitan regions of Arizona do have some characteristics in common. Most have economies based on natural resources, agriculture, tourism, or government. Some towns and cities have a number of workers employed in the production of manufactured goods and electrical power, while others depend on international commerce to provide jobs in wholesale and retail trade. Although some of the larger cities such as Flagstaff, Yuma, Sierra Vista, and Prescott are growing and have the potential to develop into metropolitan areas, none of the 13 counties possesses the kind of diverse labor markets that residents of large urban areas enjoy.

The general slump in commodity prices--copper, cotton, cattle, lumber, etc.--has battered the resource-based economies of nonmetropolitan Arizona in recent years. The high value of the dollar (and correspondingly cheap foreign commodities) has exacerbated the problem. In this respect, rural Arizona has more in common with other regions of the western United States than it does with Phoenix and Tucson. Since most commodities markets are expected to remain soft in the near future, the forecast projects a growth rate of about 1 percent in 1986, improving to nearly 4 percent in 1987 and 5 percent in 1988.

Although it is difficult to determine the distribution of employment gains among the communities in the state, it would be reasonable to say that the cities mentioned earlier, along with Casa Grande and Bullhead City, will probably grow faster than the average; while others, especially the mining communities, may continue to experience declining employment and a shrinking labor force. Unemployment will remain relatively high, averaging 12.5 percent in 1986 but falling to 9.9 percent by 1988.

The continuing shortage of jobs in the reservation areas of the state will result in even higher rates of unemployment. Progress has been made in the industrial development of some reservations, but fewer jobs will be available than are needed. Unemployment also will remain high in the border regions of southern Arizona. Nogales and other communities depend on trade with Mexican citizens for a large share of their job opportunities. The Mexican national debt, falling oil prices, and the prospect of drastic austerity programs will erode the purchasing power of the peso and prevent major improvements in the border economies from occurring.

In the long run, nonmetropolitan Arizona should see better times. Farm and metals prices should improve, the value of the dollar should gradually fall, and the natural attributes of these communities should allow them to attract a larger share of the new residents that will migrate to the state.

Brian Cary
Jalal Ahmad

NONMETROPOLITAN COUNTIES EMPLOYMENT FORECASTS
(Annual Averages, in Thousands)

	1985	Growth Rate	1986	Growth Rate	1987	Growth Rate	1988	Growth Rate
Labor Force	274.4	1.9%	278.7	1.6%	286.0	2.6%	295.3	3.3%
Unemployed	34.2	38.5%	34.8	1.8%	32.2	-7.5%	29.3	-9.0%
Unemployment Rate	12.5%		12.5%		11.3%		9.9%	
Total Employment	240.3	-1.8%	243.8	1.5%	253.8	4.1%	265.9	4.8%
Wage and Salary Employment	205.6	4.5%	208.2	1.3%	216.4	3.9%	226.9	4.9%
Manufacturing	18.9	2.7%	19.2	1.6%	20.1	4.7%	21.3	6.0%
Mining	9.0	-0-	8.1	-10.0%	7.2	-11.1%	6.8	-5.6%
Construction	11.9	2.6%	11.7	-1.7%	12.7	8.5%	14.8	16.5%
TCPU	12.6	3.3%	12.9	2.4%	13.3	3.1%	13.8	3.8%
Trade	47.5	6.5%	48.8	2.7%	50.9	4.3%	53.7	5.5%
FIRE	6.0	5.3%	6.1	1.7%	6.3	3.3%	6.7	6.3%
Services	40.3	6.9%	41.0	1.7%	42.9	4.6%	44.9	4.7%
Government	59.1	3.1%	60.4	2.2%	62.9	4.1%	64.9	3.2%

NOTE: Totals may not add due to rounding.

SOURCE: Arizona Department of Economic Security, Research Administration, February, 1986.

Arizona Labor Force and Employment

January 1986 (in thousands)

	ARIZONA				
				-- Amt Change --	
	Jan.* 1986	Dec. 1985	Jan. 1985	Dec. to Jan.	1985 to 1986
TOTAL CIVILIAN LABOR FORCE**	1525.7	1519.5	1459.5	+6.2	+66.2
Total Unemployment	98.7	92.8	84.1	+5.9	+14.6
Rate	6.5	6.1	5.8	---	---
Rate (Sea. Adj.)***	6.4	6.3	5.7	---	---
Total Employment	1427.0	1426.7	1375.4	+0.3	+51.6

The Above Labor Force Statistics Should N

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1304.1	1323.8	1230.6	-19.7	+73.5
Manufacturing	181.0	182.0	178.1	-1.0	+2.9
Durable Goods	142.5	142.9	141.0	-0.4	+1.5
Stone, Clay and Glass	8.0	8.0	7.6	+0.0	+0.4
Primary and Fabricated Metals	16.8	17.1	16.9	-0.3	-0.1
Primary Metals	8.0	8.1	7.4	-0.1	+0.6
Fabricated Metals	8.8	9.0	9.5	-0.2	-0.7
Machinery	65.1	65.0	70.5	+0.1	-5.4
Other Durable Goods	52.6	52.8	46.0	-0.2	+6.6
Aircraft and Missiles	25.1	25.0	20.4	+0.1	+4.7
Lumber and Wood Products (Except Furniture)	7.6	7.7	7.2	-0.1	+0.4
All Other Durable Goods	19.9	20.1	18.4	-0.2	+1.5
Nondurable Goods	38.5	39.1	37.1	-0.6	+1.4
Food and Kindred Products	8.7	9.0	8.4	-0.3	+0.3
Apparel	5.0	5.1	4.9	-0.1	+0.1
Printing and Publishing	14.4	14.4	14.0	+0.0	+0.4
All Other Nondurable Goods	10.4	10.6	9.8	-0.2	+0.6
Mining and Quarrying	11.5	11.7	12.3	-0.2	-0.8
Copper Mining	9.0	9.2	9.6	-0.2	-0.6
Other Mining and Quarrying	2.5	2.5	2.7	+0.0	-0.2
Construction	109.8	110.4	103.0	-0.6	+6.8
Trans., Communications, and Public Utilities	63.9	64.8	61.5	-0.9	+2.4
Transportation	29.0	30.1	28.3	-1.1	+0.7
Communications and Public Utilities	34.9	34.7	33.2	+0.2	+1.7
Trade	329.6	335.0	303.9	-5.4	+25.7
Wholesale Trade	64.5	64.2	62.0	+0.3	+2.5
Retail Trade	265.1	270.8	241.9	-5.7	+23.2
General Merchandise and Apparel	42.8	47.0	41.4	-4.2	+1.4
Food Stores	40.0	40.7	36.9	-0.7	+3.1
Automotive and Service Stations	31.2	31.0	28.4	+0.2	+2.8
Eating and Drinking Places	96.4	96.1	84.3	+0.3	+12.1
Other Retail Trade	54.7	56.0	50.9	-1.3	+3.8
Finance, Insurance, and Real Estate	84.8	84.3	76.1	+0.5	+8.7
Services and Miscellaneous	305.7	305.9	283.6	-0.2	+22.1
Hotels and Other Lodging Places	30.7	30.4	28.5	+0.3	+2.2
Business Services	67.7	68.8	63.0	-1.1	+4.7
Health Services	75.7	75.5	71.3	+0.2	+4.4
Other Services	131.6	131.2	120.8	+0.4	+10.8
Government	217.8	229.7	212.1	-11.9	+5.7
Federal	40.9	41.3	39.3	-0.4	+1.6
State and Local	176.9	188.4	172.8	-11.5	+4.1
School	102.3	114.0	103.5	-11.7	-1.2

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

January 1986 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			-- Amt Change --					-- Amt Change --	
Jan.* 1986	Dec. 1985	Jan. 1985	Dec. to Jan.	1985 to 1986	Jan.* 1986	Dec. 1985	Jan. 1985	Dec. to Jan.	1985 to 1986
947.9	940.8	905.6	+7.1	+42.3	300.9	299.8	288.5	+1.1	+12.4
50.6	46.8	40.8	+3.8	+9.8	15.9	15.0	14.5	+0.9	+1.4
5.3	5.0	4.5	---	---	5.3	5.0	5.0	---	---
5.3	5.1	4.5	---	---	5.3	5.2	5.0	---	---
897.3	894.0	864.8	+3.3	+32.5	285.0	284.8	274.0	+0.2	+11.0

ot Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

859.1	870.1	809.8	-11.0	+49.3	237.9	241.0	225.0	-3.1	+12.9
129.1	129.2	130.3	-0.1	-1.2	32.4	32.8	29.7	-0.4	+2.7
102.9	102.7	104.7	+0.2	-1.8	27.3	27.6	24.7	-0.3	+2.6
5.1	5.0	4.7	+0.1	+0.4					
11.2	11.3	11.1	-0.1	+0.1					
51.2	51.2	56.8	+0.0	-5.6					
35.4	35.2	32.1	+0.2	+3.3					
26.2	26.5	25.6	-0.3	+0.6	5.1	5.2	5.0	-0.1	+0.1
5.6	5.6	5.6	+0.0	+0.0					
3.2	3.2	3.0	+0.0	+0.2					
10.4	10.5	10.2	-0.1	+0.2					
7.0	7.2	6.8	-0.2	+0.2					
0.6	0.6	0.6	+0.0	+0.0	2.1	2.1	2.6	+0.0	-0.5
76.6	76.8	72.7	-0.2	+3.9	21.5	21.7	19.3	-0.2	+2.2
42.0	42.5	40.0	-0.5	+2.0	9.1	9.4	9.3	-0.3	-0.2
19.8	20.4	19.2	-0.6	+0.6	4.2	4.5	4.3	-0.3	-0.1
22.2	22.1	20.8	+0.1	+1.4	4.9	4.9	5.0	+0.0	-0.1
226.7	230.1	207.9	-3.4	+18.8	54.1	54.6	50.3	-0.5	+3.8
51.1	50.8	49.1	+0.3	+2.0	7.5	7.5	7.2	+0.0	+0.3
175.6	179.3	158.8	-3.7	+16.8	46.6	47.1	43.1	-0.5	+3.5
27.8	30.7	26.5	-2.9	+1.3	7.6	8.0	7.8	-0.4	-0.2
26.0	26.5	23.8	-0.5	+2.2	6.5	6.5	5.9	+0.0	+0.6
19.8	19.5	18.1	+0.3	+1.7	5.4	5.4	4.6	+0.0	+0.8
64.1	63.6	55.1	+0.5	+9.0	17.7	17.6	15.9	+0.1	+1.8
37.9	39.0	35.3	-1.1	+2.6	9.4	9.6	8.9	-0.2	+0.5
66.5	66.1	59.7	+0.4	+6.8	12.0	11.9	10.6	+0.1	+1.4
207.6	207.7	193.1	-0.1	+14.5	58.3	57.8	53.5	+0.5	+4.8
17.9	17.7	17.4	+0.2	+0.5	5.5	5.2	4.7	+0.3	+0.8
55.2	56.2	51.8	-1.0	+3.4	9.9	9.9	8.8	+0.0	+1.1
50.4	50.3	47.3	+0.1	+3.1	16.0	16.0	15.2	+0.0	+0.8
84.1	83.5	76.6	+0.6	+7.5	26.9	26.7	24.8	+0.2	+2.1
110.0	117.1	105.5	-7.1	+4.5	48.4	50.7	49.7	-2.3	-1.3

-- Prepared by Labor Market Information, Research and Analysis (CPS, 1/86)

Nonmetropolitan Counties
Labor Force and Employment
January 1986

	Apache	Cochise	Coconino	Gila	Graham	Green-lee	La Paz
TOTAL CIVILIAN LABOR FORCE*.	15,650	34,725	37,150	12,325	7,975	2,975	4,575
Total Unemployment	3,175	2,900	4,225	1,825	850	275	750
Rate	20.3%	8.4%	11.4%	14.8%	10.7%	9.2%	16.4%
Rate (Seas. Adj.)**. . . .	20.1%	8.2%	10.5%	14.3%	10.7%	8.9%	-INA-
Total Employment	12,475	31,825	32,925	10,500	7,125	2,700	3,825
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY. . . .	14,250	24,100	32,325	9,950	4,875	2,825	2,625
Manufacturing.	750	2,025	2,750	1,350	200	50	75
Mining and Quarrying	25	150	25	1,525	0	1,700	0
Construction	900	1,200	1,600	450	150	100	150
Trans., Comm., & Pub. Util..	1,900	1,775	2,325	375	175	50	50
Trade.	1,450	5,250	7,550	1,925	1,300	275	850
Fin., Insur., & Real Estate.	250	650	725	250	125	25	100
Services and Miscellaneous .	3,675	3,525	7,600	1,600	850	75	625
Government	5,300	9,525	9,750	2,475	2,075	550	775

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL CIVILIAN LABOR FORCE*.	26,500	25,875	33,825	9,075	32,500	33,775
Total Unemployment	2,725	3,950	4,025	1,000	2,375	4,075
Rate	10.3%	15.3%	11.9%	11.0%	7.3%	12.1%
Rate (Seas. Adj.)**. . . .	9.7%	14.6%	12.1%	12.0%	6.9%	-INA-
Total Employment	23,775	21,925	29,800	8,075	30,125	29,700
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY. . . .	17,775	19,175	25,575	8,350	21,000	24,150
Manufacturing.	2,275	1,675	3,200	1,075	2,225	1,800
Mining and Quarrying	275	1,125	3,425	0	550	25
Construction	1,200	1,075	1,200	325	1,950	1,450
Trans., Comm., & Pub. Util..	1,075	1,675	925	550	975	950
Trade.	5,100	3,625	4,875	3,475	5,400	7,775
Fin., Insur., & Real Estate.	900	350	725	250	850	1,000
Services and Miscellaneous .	3,625	5,075	2,850	1,225	4,375	4,600
Government	3,325	4,575	8,375	1,450	4,675	6,550

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment For Economic Assistance Programs January 1986

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,514,471	1,416,132	98,339	6.5%
Apache	15,594	12,423	3,171	20.3
Cochise	34,893	31,974	2,919	8.4
Coconino	36,880	32,663	4,217	11.4
Gila	12,214	10,397	1,817	14.9
Graham	7,894	7,048	846	10.7
Greenlee	2,950	2,675	275	9.3
La Paz	4,526	3,768	758	16.7
Maricopa	940,677	890,289	50,388	5.4
Mohave	26,187	23,476	2,711	10.4
Navajo	25,714	21,774	3,940	15.3
Pima	298,806	282,926	15,880	5.3
Pinal	33,579	29,579	4,000	11.9
Santa Cruz	8,991	8,001	990	11.0
Yavapai	32,045	29,689	2,356	7.4
Yuma	33,521	29,450	4,071	12.1

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Estimated Hours and Earnings of Production Workers in Selected Industries in Arizona January 1986

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVG. HOURLY EARNINGS		
	JAN.* 1986	DEC. 1985	JAN. 1985	JAN.* 1986	DEC. 1985	JAN. 1985	JAN.* 1986	DEC. 1985	JAN. 1985
FOR THE STATE OF ARIZONA*									
Manufacturing	392.09	397.58	378.68	40.8	41.2	40.5	9.61	9.65	9.35
Aircraft & Missiles	NA	NA	NA	NA	NA	NA	NA	NA	NA
Food & Kindred Products	385.56	362.79	315.22	42.0	40.4	39.6	9.18	8.98	7.96
Primary Metals	508.93	527.31	511.75	40.2	41.1	40.2	12.66	12.83	12.73
Machinery	342.76	342.26	336.48	38.0	38.5	39.4	9.02	8.89	8.54
Copper Mining	560.98	585.05	579.76	40.3	41.7	41.5	13.92	14.03	13.97
Construction	436.90	410.90	427.52	36.9	34.5	36.2	11.84	11.91	11.81
Utilities	603.78	601.04	566.36	43.5	44.0	43.6	13.88	13.66	12.99
Retail Trade**	240.76	241.40	224.02	33.3	34.0	32.8	7.23	7.10	6.83
Wholesale Trade	373.51	377.70	362.29	39.4	39.8	39.9	9.48	9.49	9.08

* Preliminary
** Excludes eating and drinking places.
NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

--Prepared by Labor Market Information, Research and Analysis (1/86)

The Arizona Labor Force in January

The unemployment rate in Arizona inched upward by 0.1 percent in January, narrowing the gap between the Arizona rate and the declining U.S. unemployment rate. Although small increases in the state unemployment rate are expected, it is possible that unemployment in Arizona may creep above the national rate during the first half of 1986.

Revised estimates for 1985 indicate that the state unemployment rate peaked at 7.2 percent in July, just 0.1 percent lower than the U.S. rate at the time. The revised data also show that employment in Arizona establishments increased by 8.1 percent in 1985. While the growth rate was slightly lower than the 1984 growth rate of 9.7 percent, it was higher than the increase of 6.6 percent that was originally reported for 1985.

The employment statistics for January resemble the pattern observed during the second half of 1985. Employment declined in a wide range of categories, but many of the decreases were seasonal. Retail trade in Arizona lost 5,700 jobs in January, which was somewhat less than expected after the

holiday retail season. Increases were recorded in restaurants, which added 300 workers in anticipation of winter tourism in the metropolitan counties, and in wholesale trade. The rise in wholesale trade employment is primarily due to the seasonal shipments of fresh fruit and vegetables from southern Arizona to the U.S. interior.

Construction employment dropped by 600 statewide in January, continuing a decline that began last summer. At this time of year, such losses are expected--only the Colorado River valley counties experienced increases last month. However, increasing concern regarding surplus office space in the metropolitan areas of the state should induce a slower rate of office building, resulting in fewer jobs for construction workers. Moderate interest rates should allow sufficient demand for new housing to offset large numbers of construction layoffs this year.

The manufacturing sector, which also experienced problems in late 1985, lost 1,000 jobs in January. Some of the losses, particularly in food processing plants in southern Arizona, are due to seasonal factors. Many layoffs occurred in the durable goods categories and were attributable to the slump in high technology product markets. With the semiconductor industry reporting an improved book-to-bill ratio in January, it is anticipated that the layoffs should cease and employment will begin expanding by the end of the year. Meanwhile, aircraft and defense equipment manufacturers continue to expand their payrolls each month and are expected to do so through the end of 1986.

Overall, January produced mixed results for the state economy. Unemployment was up in the Tucson and Phoenix areas while six of the 13 remaining counties recorded a decrease in their unemployment rates. The service-producing sectors--especially retail trade and financial services--continued to create jobs and generally outperform expectations, while the goods-producing industries--mining, construction, and manufacturing--have struggled recently. The outlook suggests more of the same. Construction and manufacturing should continue to be relatively sluggish for several months, with most of the new jobs to be created in service-related businesses. Unemployment may rise gradually during the next few months, but the rate of job creation should be strong enough to result in declining unemployment before the year is over.

Brian Cary

Arizona Unemployment Insurance Activities - December 1985

	December 1985	November 1985	December 1984	% Change From One Year Ago
Arizona Claimants Served*	27,737	23,217	23,103	+20.1%
Arizona Average Weeks Unemployed**	8.5	9.1	9.0	+ 5.6%
Arizona Benefits Paid*	$ 8,990,469	$ 7,470,014	$ 6,965,410	+29.1%
Arizona Trust Fund Balance	$326,535,005	$332,981,234	$238,513,500	+36.9%

*All Programs
**UI Only

Improved Career Decision Making Seminars to be Sponsored by ASOICC

The Arizona State Occupational Information Coordinating Committee (ASOICC) will be sponsoring two Improved Career Decision Making (ICDM) seminars for counselors during the last week of June, 1986. The program trains counselors to help individuals make career decisions based on the best available labor market data and resources. In addition, the program is designed to promote greater cooperation between school counselors, colleges, job training programs, Job Service, vocational rehabilitation programs, and the producers and users of labor market information.

ICDM seminars have been scheduled as follows: for June 23 and 24 in Flagstaff, and for June 26 and 27 in Scottsdale. For additional information, contact Stan Butterworth, ASOICC director, at 255-3680.

Job Bank Wage Levels in Nonmetropolitan Counties

For several years, the Arizona Department of Economic Security's Research Administration has conducted and published the results of wage surveys for Maricopa and Pima counties. However, wage data for both nonmetropolitan counties and for cities in Arizona have been scarce. The DES Research Administration has finally been able to tap into an additional source of wage data--the DES Job Service Job Bank computer files.

The new report--1984 Job Bank Wage Levels (available in mid-April)--will contain information on wages offered by employers through DES Job Service local offices in every county and major city in Arizona. A publication with 1985 data will follow soon after.

The Job Service utilizes a computerized Job Bank data file which stores information on job orders, the wage amounts offered, and whether these job orders were filled by an applicant or applicants. This data file contains the wages offered by employers and whether the positions were filled, but it is not known whether these jobs were filled at the wage offered. However, by limiting the data retrieval procedure to openings with placements, it is more likely that the wages offered were the actual wages accepted.

In the published report, Job Bank wage data are presented by occupation for an area, with a low, high, and weighted average hourly wage from the filled job orders. The

results reveal a wage structure in each area for jobs filled by the Job Service from December 1983 through December 1984. The occupations reported from these job orders are mostly those in basic employment positions of maintenance and production, service, and clerical. Quite a number of these job openings require minimal experience or education; thus, the Job Bank wage offers tend to be beginning wages. In addition, much of the employment available through these Job Service offices is of short duration.

What is considered by an employer in determining a wage offer is complex, while the factors affecting his/her business cause wages to fluctuate. For example, a business owner will take into account the supply and demand for various classes of workers, whether short-term or long-term, and when they are needed. Some employers may choose to initially pay higher than the going rate for certain occupations in order to maintain their employment levels. This higher wage would have an effect on other small businesses' wage levels. During times of high unemployment, businesses can be selective in their hiring practices and maintain low wage rates. On the other hand, an employer in a nonmetropolitan area may have to pay a higher wage in order to attract a worker with special skills. Employers' wage offers also reflect business cycles--prosperity or recession, as well as the profit situation of firms. Wage movements also apparently reflect changes in the U.S. Consumer Price Index, with approximately a one-half to full-year lag. Upward adjustments are usually lower than the inflation rates, however.

Many of the jobs in the smaller population areas are filled by word-of-mouth and by local owners and operators, as there are few private employment agencies in these areas. Also, many of the local businesses, including manufacturing firms, at least at their inception, do not have full-service personnel offices. The Job Service office fills that need with its job listing procedures, applicants, registration, and knowledge of the local area. Overall, in 1984, 10 percent of the job orders from the Job Bank in the nonmetropolitan counties accounted for nearly two-thirds of the job placements. The following list of occupations in the state accounted for over 60 percent of the number of job placements for the year of 1984 in the small counties: building maintenance repairer, construction worker, cook, counter attendant, custodial worker, fruit harvest worker, general clerk, kitchen helper, maid, material handler, and sales clerk. The wage levels of these occupations, in addition to indicating the type and frequency of job openings, will be somewhat reflective of the local labor force's socio-economic composition. Comparisons over time may indicate changes occurring in that labor force.

In addition to stating entry-level or short duration wage rates for certain types of employment, these data reflect the weights of certain occupations and groups of jobs within an area's labor force. These data of filled jobs may indicate demand occupations in the year of 1984, as well as their associated industries. A large number of food service filled openings in a community, for example, might indicate a strength or growth of the food service industry. These openings could be short-term or long-term employment. A new large motel in a town may also raise wage rates for maids and hotel/motel desk clerks. A job order in a rural area requesting a large number of material handlers or security guards may require higher wage levels in order to draw the necessary number of job seekers.

Much of the labor force activity in the small counties is seasonal, and that situation has a much larger impact on these rural areas' economies than those in the metropolitan counties of Maricopa and Pima. Both tourism and the retirement populations swell and diminish with the change of weather, affecting principally employment in the trade and service industries. Increased activity in these industries generally occurs in the northern counties of Arizona in the summer and in the southern counties in the winter. A growing population base, as in Coconino, Yavapai, and Mohave counties, will also create higher employment in other industries. A change of one hundred in a small county's or city's employment ranks has a large effect on that

area's economy. The arrival of the citrus harvest period swells Yuma County's employment and labor force numbers. The chili picking season in Cochise County adds hundreds of workers to its manufacturing industry from July through October. Government employment, particularly in Apache, Coconino, Graham, Navajo, and Pinal counties drops by the hundreds in June as schools close. Employment numbers increase significantly in motels, restaurants and bars, service stations, and food retailers when the horse track in Prescott opens and as cool, clear skies arrive in the northern counties.

With these changes and associated increases and decreases of certain kinds of employment, much of it seasonal or short-term, a low wage structure often results. Contributing also to these lower wage levels is the mobility and migratory nature of the labor force itself. Many people opt for a small area lifestyle and its lower money requirements for its standard of living. Usually, it does not cost as much to live in a rural city or county. Many employees, some in retirement and some transitory, are willing to work for less. These are workers who seek, or have little choice but to take, employment in occupations below their skill or educational level.

Economic planners, developers, employers, and entrepreneurs may wish to study these occupational groups and their wage levels in the respective areas in regard to movement, enlargement, or introduction of new business enterprises in a small community. These statistics are indicative of an area's labor force composition of trainable, entry-level workers, its occupational makeup, and wage levels. Comparisons can also be made between various areas with respect to their labor force composition, occupational strengths, changes, availabilities, and average wage rates.

Glede Kohler

1984 Weighted Average Wage Rates for Selected Job Service Occupations in Nonmetropolitan Counties

	Cochise	Coconino	Mohave	Pinal	Yavapai	Yuma
Cook	$3.80	$3.99	$4.31	$4.26	$4.03	$4.14
Counter Attendant	3.35	3.35	3.67	3.35	3.36	-
Kitchen Helper	3.42	3.42	3.36	3.44	3.37	3.35
Maid	-	3.54	3.63	4.00	3.60	3.37
Building Maintenance Repairer	3.89	4.26	4.42	-	3.88	4.54
Construction Worker	4.14	4.72	4.54	3.93	4.44	4.22
Custodial Worker	3.70	3.55	3.75	3.39	3.64	3.75
Groundskeeper	5.96	3.53	3.51	4.12	3.37	3.74
Material Handler	3.76	4.66	4.47	4.59	4.59	4.11
Security Guard	-	3.48	3.99	3.35	3.79	5.72
Cashier II	3.57	4.10	3.48	3.57	3.65	3.53
General Clerk	4.01	3.52	4.19	4.24	3.65	3.66
Sales Clerk	3.42	3.62	3.67	-	3.49	4.00

SOURCE: Arizona Department of Economic Security, Research Administration, Economic Analysis Section.

New Developments

"New Developments" is featured each month as a service to employers and job seekers. It is a compilation of public announcements of the more significant new construction, grand openings, major hirings and layoffs, and other employer events that have special significance for Arizona labor markets. The announcements are paraphrased and otherwise edited from articles published in newspapers and other periodicals from throughout the state. "New Developments" are limited to space available, and no attempt is made to compile an exhaustive list of all such events that have occurred during the month.

Manufacturing - A 60,000 square-foot building which sat vacant since 1980 in the tiny town of Naco, Sonora (just south of Bisbee on the Mexico side) will now be used as a venetian blinds manufacturing plant by Industrias Tres Estados, formerly Pintermex, which had been in the business of making electronic components in Agua Prieta for 11 years. Now that they have received a contract from Levolor, Bob Gain, operations manager of the firm, based in San Diego, estimates that they will ultimately employ 800 men and women in Naco, a town of 6,000 residents. Work on the contract had been going on already, and in the past three months some 340 people have been assembling blinds at three locations around Agua Prieta. However, the company decided they needed a larger facility and lots of industrious hands for assembly work. "We picked Naco primarily for the reason that it already had a facility and needed little to make it usable," Gain said. "Secondly, Naco has somewhat of a captive work force--an almost untapped work force. In Naco, we're hoping to reduce personnel turnover. In Agua Prieta, the turnover of personnel is horrendous." Now instead of worrying about extinction, the border town of Naco is anticipating a boom.

Construction -A groundbreaking ceremony was held at the end of February on the site of the permanent Arizona State University (ASU) West campus which will be built on the 300 acres between 43rd and 51st avenues and Sweetwater and Thunderbird roads in northwest Phoenix. According to Dr. Gerald McSheffrey, vice president of ASU West, phase I of the campus will cost $83 million and will consist of a library and a number of administrative and classroom buildings--all totalling 369,000 square feet. The library will be the campus centerpiece at 80,000 square feet, and will be the first building constructed, beginning in September, once utility lines and tunnels are in place. Plans call for phase I of the university to open in 1988 with the resources to serve 12,000 part-time or 5,000 full-time students.

Courses at ASU West will be strictly upper-level and graduate-level, and most courses will be offered during evening hours for the convenience of working students. Possible degree programs at the university will include business, education, engineering and applied sciences, fine arts, liberal arts, nursing, social work, and public programs such as journalism, communication, justice studies, and recreation.

No time frame estimates were given on phase II of ASU West, but in the future, builders will add another 379,000 square feet of space at a cost of $87 million to finish up the campus, according to Dr. McSheffrey.

Construction has begun on Del E. Webb Corporation's corporate headquarters at the Camelback Esplanade. Webb will occupy 65,000 square feet on the top two and one-half floors and ground floor of the 11-story Del Webb Building, located east of the future Ritz-Carlton Hotel and fronting on Camelback Road. Camelback Esplanade is a $400 million mixed-use project being developed by the Symington Company on 22.5 acres at the southeast corner of 24th Street and Camelback Road.

Ground was broken on Crossroads Festival, a 25-acre mixed-use project located at the northeast corner of Grant and Swan roads in Tucson. The $35 million project is composed of 160,000 square feet of retail space and a 200,000 square-foot, three-story office building. Crossroads Festival will be completed in three phases.

Johnson Carlier has begun construction on a 110,000 square-foot shopping center, Cobblestone Court, at Warner and McClintock roads in Tempe. The $8 million project will feature Southwestern design with tile roofs, and outdoor walkways will utilize turn-of-the-century style copper lamp posts. Plans call for extensive use of cobblestone paving for roads and walkways. Phase I is scheduled for completion in April. Phase II, Cobblestone Court South, is scheduled to break ground in March and will consist of 22,050 square feet.

Work has begun on The Plaza, an office complex in the Roosevelt Historic District at Roosevelt and Fourth Avenue. The $800,000 project consists of three two-story buildings with a total of 14,000 square feet of leasable space. One of the structures in the complex is the Stenlake Building, built in 1897, which was moved, brick by brick, from its original location several blocks south of Roosevelt on Fourth Avenue. All of the original doors, windows, stairwells, bricks, and trim will be used in the Stenlake Building reconstruction. The other two buildings were designed to match the restored building. Each of the new structures will have 5,000 square feet of leasable space. The building shells are scheduled to be ready for tenant improvements by August.

A 67-acre industrial development site at the northwestern corner of McDowell and Greenfield roads in Mesa has been purchased by Glen Rudel of Rudel Development Corporation of Arizona. The $6.7 million parcel will be developed into an office and industrial center for the east Valley. It is located opposite and adjacent to the Falcon Field Airport area. Rudel Development plans to start the first phase of the development this spring by constructing a 65,000 square-foot office industrial building. The company will sell fully improved sites at the property to developers and manufacturing, service, and distribution companies.

The new corporate headquarters for Big 4 Restaurants, a development by DMB Associates, is under construction at the southeast corner of Thomas Road and 26th Street in Phoenix. The two-story building will feature 32,000 square feet of space including 24,000 square feet of office space available for lease. The building will feature a prominent base wrapped in decorative tile supporting the second level which will house the Big 4 corporate office. An interior atrium is paved in marble, complementing the two-story-high vaulted ceiling with neon accent lighting. Designed in a triangular shape with a carved radius at the 26th Street and Thomas corner, the building will have 32 covered parking spaces and a guest parking court leading to a tiled entry colonnade and courtyard.

A $19 million, 225,000 square-foot facility nearing completion at 59th Avenue and Union Hills Road in Glendale will be leased by Sperry Corporation as headquarters for its Space Systems Division. Sperry expects to begin occupying the new building in May. The building is being built on a 55-acre parcel of the Arrowhead Ranch Development by McCarthy Construction Company of Phoenix. The site will accommodate planned growth to 500,000 square feet during the next decade, according to Sperry, which anticipates its Space Systems Division to see a sixfold sales increase by the mid-1990s.

Homes & Son Construction recently broke ground on Thunderbird Gardens, a $27 million congregate living project for senior

adults at 5401 West Dailey Street in Glendale. The 300,000 square-foot, multiservice retirement complex will consist of 348 studios, one-, and two-bedroom apartments in 14 interconnected three-story buildings on a nine-acre site. The complex will offer recreational and support services, including a dining room, beauty and barber shop, soda fountain, gift shop, library, craft rooms, pool, and spa.

Construction has begun on a $9 million office building at 333 East Wetmore Road in Tucson for BetaWest Properties of Denver. The 146,000 square-foot project is situated on 10 acres of the 40-acre Tucson Place being developed by Forest City Rental Properties. The building will be constructed of cast-in-place concrete with an exterior of light beige Dryvit and emerald green insulating reflective glass. Parking for 734 vehicles will be provided in an on-grade lot adjacent to the building.

Del E. Webb Commercial Properties Corporation and the Adams Group have signed a joint-venture agreement to develop The Foothills, a 4,100-acre planned community south of South Mountain. The partners said that they will build the major streets, put in utilities, and then resell the land to developers for residential, retail, commercial, industrial, and recreational projects. The planned community, with land sales phased over seven years, will be worth more than $1 billion upon completion, the partners said. The development will include as many as 12,000 homes, two 18-hole championship golf courses, a 600-room resort, an industrial park, with retail and office space, according to a master plan approved by the Phoenix City Council last year.

The Foothills is the largest contiguous parcel to win approval for a mixed-use development in Phoenix's history. The site, formerly an International Harvester testing ground, is bordered by South Mountain Park, Pecos Road, 24th Street, and Seventh Avenue.

Ground breaking for Glen-Harbor, a $227.7 million industrial park near the new Glendale Airport, was tentatively planned for early March. The mixed-use development proposed for 416 acres north of Glendale Avenue at 107th Avenue is a key component of Glendale's economic development plan. It is expected to boost significantly the city's tax base and generate thousands of temporary construction jobs as well as 5,290 permanent jobs over six years. "Everything seems to be going in the right direction," Ray Jacobs, a Glendale planner, said last week. "I don't think we have any problems at the moment."

A video advertisement of Glen-Harbor has been prepared for prospective tenants, and copies of it are being sent to 750 companies in the U.S.

About 115 acres of the development site have been tentatively identified for a major tenant or tenants, 153 acres for business and light manufacturing, and 56 acres for office space. An additional 24 acres are set for such commercial uses as restaurants, office-supply stores, or athletic clubs, and 12 acres are planned for a hotel in the 250- to 350-room range.

Construction has begun on Scottsdale Foothills, a 330-unit apartment community located on the southeast corner of Raintree and 92nd Street near the Scottsdale Industrial Airpark. The $20 million complex, which will feature an adobe architectural design, will consist of 168 one-bedroom and 162 two-bedroom units. According to Foothills representatives, Scottsdale Foothills' July completion is scheduled to coincide with the dedication of Scottsdale's new PGA golf course, site of the 1987 Phoenix Open.

A $22 million office complex is planned for the square block bounded by Seventh and Fifth streets from Mulberry to Flower streets. Can-Alta Properties Ltd., a Canadian development company that has owned part of the property for several years, will build a 166,000 square-foot complex on the site, which is one block south of Osborn Road and across from the Phoenix Country Club.

Supereast Partnership of Scottsdale has received approval from the Mesa City Council

for a $25 million specialty shopping center, Mesa Galleria. Planned for a 20-acre site at the northeast corner of Broadway and Power roads in Mesa, the project is expected to be developed in three phases over five years. In addition to retail space, the first phase of contruction will include four commercial buildings valued at about $8 million. A hotel and retirement apartments are planned for future phases of development. Phase I is expected to be completed by fall.

Koll Construction has been selected as general contractor and construction manager for a 110-acre business park to be built in Mesa. Called The Commons at Country Green Business Park, the $250 million development will add 1.8 million square feet of commercial space. The focal point of the eight-phase business park will be an existing Early American red brick mansion. Phase I construction will begin in March, with tenant occupancy scheduled for the summer of 1987. The first phase will include office and industrial buildings totalling 131,000 square feet. Buildout of the project, located at 4042 East Palm Street, is expected to come in 1995.

Ground was broken on Glendale Community College's new high tech center, a $2.2 million project being built behind the library on the campus located at 6000 West Olive in Glendale. The 31,250 square-foot facility is surrounded by seven-foot-high glass walls and features a 9,000 square-foot "pit" in the center of the room which will ultimately contain 336 microcomputers/terminals. The high tech center also boasts its own, full-blown industrial television studio. According to Dr. Larry Christiansen, dean of Administrative Services, the center will be completed in December, 1986 and will be available for all students enrolled in such high tech delivery courses as word processing, "office of the future," CAD center, robotics, and electronics.

A group of community leaders in Nogales, the Nogales Tourist Center Associates (NTCA), is pressing the city council to grant them a long-term lease on a ten-acre parcel they are eyeing for a 10-story hotel and convention center for Nogales right on the border of Mexico. Spokesman for the NTCA, Victor Fontes, says, "This will be a magnet for the Arizona tourist coming to the Mexican border." He also stated that, "We have two developers very much interested in the idea of a tourist center in Nogales, and the price tag will be around $25 million as an average." Plans for construction include a 200-room hotel, an auditorium/convention center and plaza, the Old Customs Building, a future cultural center, an open-air amphitheater, and also, according to Mr. Fontes, "very much needed parking" for up to 900 cars.

Relocation - Talley Industries Incorporated will move a subsidiary that manufactures aircraft ejection seats, Stencel Aero Engineering Corporation of Arden, North Carolina to Phoenix this spring. About half of Stencel's current 120 employees will be offered positions in Phoenix, where the company will share space with the 105 employees of Universal Propulsion Company Incorporated, another Talley subsidiary, located in a 60,000 square-foot plant at North Central Avenue and Happy Valley Road. A 25,000 square-foot addition is being added to the facility and is to be completed by June at a cost of about $300,000 according to Harold Watson, president and general manager of Universal. The move from North Carolina will begin about mid-April.

Expansion - A series of expansions was announced by the Garrett Pneumatic Systems Division, based in Tempe. The expansion is not in anticipation of any specific growth in the work force, but the current 2,300 employees will be increased by about 200 by midyear, according to the announcement. No cost of the expansion program was revealed by the company.

Layoffs - Due to a slowdown in demand for copper cable, American Telephone & Telegraph Company (AT&T) announced in the first week of February that 220 workers at the Phoenix Works plant had lost their jobs. The Phoenix Works, which makes copper communications cable, wiring, and telephone cords for AT&T Network Systems, employs more than 2,700 people in Phoenix, About 1,000 were hired between mid-1984 and mid-1985, when AT&T closed a Baltimore plant and consolidated the manufacture of all cord and most copper cable in Phoenix.

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

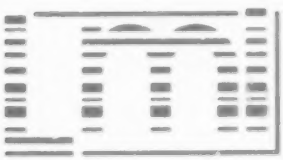
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

ADDRESS CORRECTION REQUESTED

POSTAGE & FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449
FIRST CLASS MAIL

If you do NOT desire to continue receiving this publication, please check here ☐ and return this cover to address above.

If your address has changed, please indicate change and return this cover to the address above.



This periodical is issued and printed by the Arizona Department of Economic Security as authorized by the Wagner-Peyser Act and is paid out of federal funds granted by the U.S. Department of Labor.

Reproduction of this publication for commercial use is prohibited by Section 39-121, Arizona Revised Statutes. Permission to reprint this publication, or parts of it, for nonprofit use may be granted upon written request, if credit will be given citing this publication and the Arizona Department of Economic Security.